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Jakarta 'saddened' by foreign aid cuts

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An Indonesian minister says he is saddened by Australia's decision to cut \$300m in aid to the country over the past five years, amid a backlash from Christian NGOs accusing the Coalition of "stealing crumbs" from Southeast Asia to fund its "Pacific step-up".

Australia's aid community called for an overhaul of the nation's aid policies on Tuesday after The Australian revealed the Coalition had slashed aid to Southeast Asia by 42 per cent over the past five years, undermining efforts to boost Australia's influence in the region.

Pungky Sumadi, Indonesia's Deputy Minister for Population and Labour Affairs, told an aid conference in Canberra that he was disappointed at the cut in Australian aid to his country over the same period.

"I feel sad, of course. But I have to respect the government of Australia's decision on this issue," Mr Pungky told ANU's Australasian Aid Conference. "What we have to do actually is to make best use of the available resources."

He said Australian aid to the country was important in helping the Indonesian government with the "brainwork" of solving difficult development problems.

"Lots of the time, when I have experience of Australian government projects, they are good - examples of success stories at the local level, and then we make it into a national program ... because we have the evidence," he said.

The head of Micah Australia, Tim Costello, who represents Christian non-profits, said Australia had walked away from its responsibilities to Southeast Asia.

"I've said from the start the Pacific step-up should not come at the cost of stepping down elsewhere in the world but, sadly, it already has," he said. "We are blessed to be a blessing, not just steal the crumbs from the table of the poor in Southeast Asia. This is not worthy of Australia."

Mr Costello said he supported the Pacific step-up, but it didn't make sense to cut funding to Southeast Asia from either a humanitarian or security sense.

"Australia needs strong trading partners, reliable allies and close relationships in our immediate - region," he said. "Aid plays an important role in creating soft power and we are now seeing the defence and security sector in Australia speak up and say, 'We have lost influence, we have lost soft power'"

Australia's deputy ambassador to Indonesia, Allaster Cox, told the Australasian Aid Conference that 160 million Indonesians had a per capita income that was "considerably lower" than the average income of the 11.1 million Pacific islanders. He said Australia's strategic partnership with Indonesia was "one of the most important relationships we have" in Southeast Asia.

Australian Council for International Development chief executive Marc Purcell said drawing on the declining aid budget to invest in the Pacific was "a shortsighted approach to regional engagement and will have human and strategic repercussions".

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Ben Packham has spent two decades in journalism, working at AAP and Melbourne's Herald Sun before joining The Australian as a political reporter in 2011. He rejoined the bureau in 2018 after four years in Papua... [Read more](#)